



5TH INTERNATIONAL FOOTWEAR FORUM: GLOBAL FOOTWEAR INDUSTRY AT A CROSSROADS IN 2021

The European Footwear Confederation (CEC) organised the fifth edition of the International Footwear Forum (IFF) on February 2, 2021. Held virtually, the IFF brought together 25 associations from 24 countries across the globe to discuss current common challenges for the footwear industry. Potential pathways toward the industry's recovery from the COVID-19 crisis were of course front and centre at this year's Forum. As CEC President Luis Onofre put it in his opening speech, "we are here today in search of inspiration: how can we best help our industry survive and progress in this new reality?". Two high-level speakers presented their views on the best strategies to restore growth and set forth key elements expected to shape the recovery. Denis Redonnet, Deputy Director-General and Chief Trade Enforcement Officer at DG Trade in the European Commission, insisted on the role of open and rules-based trade to underpin the economic recovery. Achim Berg, Senior Partner & Global Leader of McKinsey's Apparel, Fashion, and Luxury group, highlighted the long-lasting changes brought about by the crisis and how disruptions in the supply chain and consumer behaviour have changed the playbook to succeed for good.

Protectionism is not the answer, a befitting trade policy and international cooperation are

Denis Redonnet stressed the importance of not giving in to the temptation of protectionism. Engaging with global partners to ensure a level-playing field and supporting a system relying on open trade based on rules is the best possible policy stand today. As Mr Onofre pointed out in his opening speech, protective measures, often portrayed as a way to shield national industries from the economic crisis, really result in less competitive companies over the medium-to-long term. Openness and clear rules will be beneficial for all EU and global industries where there is a global integration of supply chains. But Denis Redonnet insisted that trade policy be well fitted to the new challenges that emerged from the crisis. Trade will play a big role in the recovery, but only if its approach and the agreements upholding it are modernised and better tailored to the new reality.





New reality, new rules: companies will need to adapt to weather the storm

Achim Berg presented the key takeaways from The Business of Fashion/ McKinsey & Co. study “The State of Fashion 2021”. He emphasised how devastating 2020 had been for the fashion industry, with total economic profits being 93% below 2019’s levels. In addition to lower profits and hampered growth, the COVID-19 crisis will result in long-lasting changes in consumer demand, consumer behaviour, and retail models. As Mr Berg noted “the playbook to succeed has changed for good” because the crisis has disrupted the fashion supply chain, from sourcing to store economics. Yet, all is not doomed for the fashion industry in a post-COVID-19 world: digital and eCommerce are creating new opportunities to set up efficient digital strategies and attract new consumers, Sustainability is gaining momentum and becoming economically attractive, and competitive companies have an opportunity to seize market shares from their peers and expand their operations. He recommended that fashion executives respond quickly and mindfully to managing risks as “decisions made today will shape the future for industry players”.

IFF participants looked for inspiration to help footwear companies overcome the crisis and progress in this new reality. What emerged from this 5th edition is the relevance of trade in the recovery and the need to respond to bungling protectionist measures by agreeing on clear rules with global partners to level the playing field. Companies need to understand the opportunities of digitalisation and sustainable business models and proactively look for public funding to make the necessary investments. This enduring crisis has had a profound impact on people’s lives, and businesses must adapt to a new reality. One must not recoil at the idea of change, but embrace it to be able to turn a challenge into an opportunity.

- More about the CEC: [HERE](#)
- More about the International Footwear Forum: [HERE](#)
- "The State of Fashion 2021" study from McKinsey & Company and The Business of Fashion: [HERE](#)

